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retroactive effect and could significantly affect the federal income tax consequences described below.

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors have not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary generally does not address foreign, state or local tax consequences of the Plan, nor does it address the federal income tax consequences of the Plan to special classes of taxpayers (such as foreign taxpayers, broker-dealers, banks, mutual funds, insurance companies, other financial institutions, small business investment companies, regulated investment companies, tax-exempt organizations (including, without limitation, certain pension funds), persons holding an equity interest as part of an integrated constructive sale or straddle, and investors in pass-through entities).

Accordingly, the following summary of certain federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the individual circumstances pertaining to a holder of a Claim.

IRS Circular 230 Notice: To ensure compliance with IRS Circular 230, holders of Claims and Preconfirmation Equity Interests are hereby notified that: (A) any discussion of federal tax issues contained or referred to in this Disclosure Statement is not intended or written to be used, and cannot be used, by holders of Claims and Preconfirmation Equity Interests for the purpose of avoiding penalties that may be imposed on them under the Tax Code; (b) such discussion is written in connection with the promotion or marketing by the Debtors of the transactions or matters addressed herein; and (c) holders of Claims and Preconfirmation Equity Interests should seek advice based on their particular circumstances from an independent tax advisor.

A. CONSEQUENCES TO THE DEBTORS

With the exception of ADT, prior to the Effective Date each of the Debtors is treated as a "disregarded entity" for U.S. federal income tax purposes. Accordingly, the U.S. federal income tax consequences of the Plan will generally not be borne by the Debtors and instead will be borne by Holdco and its owners.

In connection with the implementation of the Plan, ADT (a separate corporate taxpayer) will incur cancellation of debt ("COD") for federal income tax purposes. COD is the amount by which the indebtedness discharged (reduced by any unamortized discount) exceeds any consideration given in exchange therefor. Certain statutory or judicial exceptions can apply to limit the amount of COD (such as where the payment of the cancelled debt would have given rise to a tax deduction). It is not expected that such COD will be material in amount. Although any COD incurred will be excluded from taxable income under a bankruptcy exception contained in the Tax Code, it would result in a reduction of certain tax attributes of ADT. Although the use of any net operating losses and certain other tax attributes of ADT as of the Effective Date would be subject to limitations under Section 382 of the Tax Code following the Effective Date as a result of the change in ownership of ADT, it is not expected that ADT will have any material net operating losses or other tax attributes at the Effective Date that would be subject to Section 382 of the Tax Code.

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B. CONSEQUENCES TO HOLDERS OF CERTAIN CLAIMS

1. Consequences to Holders of Prepetition First Lien Claims and Prepetition Second Lien Claims

Pursuant to the Plan, on the Effective Date the following Restructuring Transactions will occur in the following order:

(i) First, all of the new membership interests in Postconfirmation Intermediate HoldCo will be issued to the Prepetition First Lien Agent and the Prepetition Second Lien Agent on behalf of the holders of Allowed Prepetition First Lien Claims and Allowed Prepetition Second Lien Claims, respectively, in full satisfaction of their Claims (and in proportion to the relative values of their Claims). Because Postconfirmation Intermediate HoldCo and its subsidiaries (other than ADT) are treated as disregarded entities for federal income tax purposes, this transaction should be treated for federal income tax purposes as a transfer of undivided interests in all of the underlying assets of PRC and its subsidiaries (other than ADT); and

(ii) Second, immediately after the transfer to the Prepetition First Lien Agent and the Prepetition Second Lien Agent, the agents will, on behalf of the holders of Allowed Prepetition First Lien Claims and Allowed Prepetition Second Lien Claims, respectively, contribute all of the membership interests in Postconfirmation Intermediate HoldCo (which, for federal income tax purposes, should be treated as a contribution of undivided interests in the underlying assets of PRC and its subsidiaries (other than ADT)) to Postconfirmation HoldCo in exchange for Postconfirmation HoldCo membership interests and either debt or warrants. Holders of Allowed Prepetition First Lien Claims (Class 4) will receive their Ratable Proportion of (i) \$40 million of the Postconfirmation Second Lien Facility, (ii) \$40 million of the Postconfirmation Unsecured Note, all of which is payable in kind no less frequently than quarterly, and (iii) 80% of the equity interests of Postconfirmation HoldCo. Holders of Allowed Prepetition Second Lien Claims (Class 5) will receive their Ratable Proportion of (i) 20% of the equity interests of Postconfirmation HoldCo, (ii) warrants to purchase up to 4% of the fully diluted equity interests of Postconfirmation HoldCo, and (iii) warrants to purchase up to an additional 2% of the fully diluted equity interests of Postconfirmation HoldCo.

Pursuant to the Plan, all parties (including the Reorganized Debtors, the holders of Preconfirmation Equity Interests and the holders of Postconfirmation HoldCo membership interests and warrants) will be required to report for all federal income tax purposes consistent with the characterization of the Restructuring Transactions described above.

Accordingly, each holder of an Allowed Prepetition First Lien Claim or Allowed Prepetition Second Lien Claim generally should recognize gain or loss in connection with its receipt for federal income tax purposes of an undivided interest in the underlying assets of PRC in an amount equal to the difference between (x) the fair market value of the interest received in satisfaction of its Claim (other than any Claim for accrued but unpaid interest) and (y) the holder's adjusted tax basis in its Claim (other than any basis attributable to accrued but unpaid interest). For a discussion of the tax consequences of any Claim for accrued but unpaid interest, see Section XI.B.3 below ("Distributions in Discharge of Accrued but Unpaid Interest").

The deemed contribution for federal income tax purposes of the undivided interest in the assets of PRC to Postconfirmation HoldCo will be treated in part as a tax-free contribution under Section 721 of the Tax Code to the extent Postconfirmation HoldCo membership interests are received, and will be treated in part as a taxable exchange in which gain or loss will be recognized to the extent debt or warrants are received. A holder of a Preconfirmation First Lien Claim should recognize short-term gain in the taxable exchange in an amount equal to the excess, if any, of (i) the issue price (as determined for federal income tax purposes, as discussed below) of the portion of the Postconfirmation Second Lien Facility and Postconfirmation Unsecured Note received by the holder, which, as discussed in Section XI.B.4(a), below, would be equal to either the fair market value or the stated principal amount (which may exceed fair market value) of such portion of the facility or note, over (ii) the fair market value of such holder's undivided interest in the assets of PRC. If the issue price of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note is equal to its fair market value, a holder of a Preconfirmation First Lien Claim generally should have little, if any, gain in respect of the receipt of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note, as applicable, as the holder should have received a fair market value tax basis in the interest deemed exchanged therefor.

As soon as possible after the Effective Date, but in no event later than thirty (30) days thereafter, the Postconfirmation Board will determine the value of the underlying assets of PRC and its subsidiaries as of the Effective Date and the portions of such value which are allocable, respectively, to the Postconfirmation Second Lien Facility, the Postconfirmation Unsecured Note, the membership interests in Postconfirmation HoldCo and the warrants. Such allocation will take into account the relative fair market values of the Postconfirmation Second Lien Facility, the Postconfirmation Unsecured Note, the membership interests in Postconfirmation HoldCo and the warrants. The Postconfirmation Board will apprise, in writing, all parties of such valuation and allocation. Pursuant to the Plan, all parties (including the Reorganized Debtors, the holders of Preconfirmation Equity Interests and the holders of Postconfirmation HoldCo membership interests and warrants) will be required to report consistent with the valuation and allocation for all federal income tax purposes.

Where gain or loss is recognized by a holder of an Allowed Prepetition First Lien Claim or Allowed Prepetition Second Lien Claim in respect of its Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including, among others, the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder and how long it has been held, whether the Claim was acquired at a market discount, and whether and to what extent the holder previously had claimed a bad debt deduction. Where gain is recognized by a holder of a Preconfirmation First Lien Claim in respect of the contribution of assets to Postconfirmation HoldCo, the character of such gain may be treated as short-term capital gain depending in part on the holder's personal circumstances. Holders of Preconfirmation First Lien Claims are urged to consult their tax advisors regarding the character of any gain recognized on the contribution to Postconfirmation HoldCo.

A holder's initial tax basis in the Postconfirmation HoldCo membership interest received should equal the fair market value of the membership interest (as such value should be equal to the fair market value tax basis of the holder's undivided interest in the underlying assets of PRC treated as contributed therefor), increased for the portion of Postconfirmation HoldCo's liabilities that is allocated to the holder. A holder's initial tax basis in the warrants received should equal their fair market value. A holder's tax basis in its portion of the Postconfirmation Second Lien Facility and Postconfirmation Unsecured Note received should equal the issue price of such facility or note. A holder's holding period for any Postconfirmation HoldCo membership interests, warrants and portion of the Postconfirmation Second Lien Facility and Postconfirmation Unsecured Note generally should begin the day following the Effective Date.

2. Consequences to Holders of General Unsecured Claims

Pursuant to the Plan, holders of Allowed General Unsecured Claims (Class 6) will receive, in one or more distributions, their Distribution Pro Rata Share of $1,350,000 in Cash on each Distribution Date in satisfaction and discharge of their Claims.

In general, each holder of such a Claim should recognize gain or loss in an amount equal to the difference between (x) the amount of cash received by the holder in satisfaction of its Claim (other than any Claim for accrued but unpaid interest and other than any amount treated as imputed interest as further discussed below) and (y) the holder's adjusted tax basis in its Claim (other than any basis attributable to accrued but unpaid interest). For a discussion of the tax consequences of any Claim for accrued but unpaid interest, see Section XI.B.3 below ("Distributions in Discharge of Accrued but Unpaid Interest").

Distributions to such a holder will be made subsequent to the Effective Date on the Initial Distribution Date and may be made on any subsequent Distribution Date. Under the Tax Code, a portion of each distribution to such a holder may be treated as imputed interest. In addition, it is possible that any loss and a portion of any gain realized by such holder may be deferred until such time as such holder has received its final distribution. All holders of such Claims should consult their tax advisors as to tax consequences of distributions subsequent to the Effective Date.

Where gain or loss is recognized by a holder in respect of its Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including, among others, the tax status of the holder, whether the Claim constitutes a capital asset in the hands of the holder and how long it has been held, whether the Claim was acquired at a market discount, and whether and to what extent the holder previously had claimed a bad debt deduction.

3. Distributions in Discharge of Accrued but Unpaid Interest

Pursuant to the Plan, distributions to any holder of Allowed Claims will be allocated first to the principal amount of such Claims, as determined for federal income tax purposes, and thereafter, to the portion of such Claim, if any, representing accrued but unpaid interest or original issue discount ("OID"). However, there is no assurance that the IRS would respect such allocation for federal income tax purposes.

In general, to the extent that any consideration received pursuant to the Plan by a holder of an Allowed Claim is received in satisfaction of accrued interest or OID during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a holder generally recognizes a deductible loss to the extent any accrued interest claimed or amortized OID was previously included in its gross income and is not paid in full. However, the IRS has privately ruled that a holder of a security of a corporate issuer, in an otherwise tax-free exchange, could not claim a current deduction with respect to any unpaid OID. Accordingly it is also unclear whether, by analogy, a holder of a Claim of a non-corporate issuer would be required to recognize a capital loss, rather than an ordinary loss, with respect to previously included OID that is not paid in full.

Each holder of a Claim is urged to consult its tax advisor regarding the allocation of consideration and the deductibility of accrued but unpaid interest for federal income tax purposes.

4. Ownership and Disposition of Postconfirmation Second Lien Facility and Postconfirmation Unsecured Note

The application of the OID provisions of the Tax Code, and the federal income tax treatment of stated interest, with respect to the Postconfirmation Second Lien Facility and Postconfirmation Unsecured Note depends, in part, upon whether the respective "issue prices" of the Postconfirmation Second Lien Facility and Postconfirmation Unsecured Note are equal to their stated principal amount. Pursuant to applicable Treasury Regulations, the respective "issue prices" of the Postconfirmation Second Lien Facility and Postconfirmation Unsecured Note depend, in part, upon whether they are traded on an "established market" during the sixty-day period ending thirty days after the Effective Date (the "Testing Period"). If either the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note is not traded on an "established market" during the Testing Period, the "issue price" of such non-traded instrument will depend on whether Section 1274(b)(3) of the Tax Code, as discussed below, applies to its issuance.

For this purpose, an "established market" includes, among other things, (i) a system of general circulation (including a computer listing disseminated to subscribing brokers, dealers, or traders) that provides a reasonable basis to determine fair market value by disseminating either recent price quotations or actual prices of recent sales transactions, and (ii) the ready availability of price quotations from dealers, brokers or traders. If either the Postconfirmation Second Lien Facility or the Postconfirmation Unsecured Note, as applicable, are traded on an established market during the Testing Period, the "issue price" will be equal to the fair market value of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note.

Pursuant to Section 1274(b)(3) and applicable Treasury Regulations, if either the Postconfirmation Second Lien Facility or the Postconfirmation Unsecured Note is not traded on an established market during the Testing Period, the "issue price" of such non-traded instrument will still be equal to its fair market value if the fair market value of such instrument has been established in a "recent sales transaction" within the meaning of such provisions. Neither the Tax Code nor the Treasury Regulations expound on the meaning of a recent sales transaction. Because, as stated above, (i) the holders of Allowed Prepetition First Lien Claims and Allowed Prepetition Second Lien Claims should be treated as having first received undivided interests in the underlying assets of PRC and its subsidiaries in a taxable transaction in which the determination of gain or loss will be based on the fair market value of such interests, and (ii) the fair market value of such interests will be required to be allocated among the Postconfirmation

Second Lien Facility, the Postconfirmation Unsecured Note, the membership interests in Postconfirmation HoldCo and the warrants for purposes of determining gain or loss and tax basis upon the transfer of such interests to Postconfirmation HoldCo, the Debtors anticipate that they would take the position that the Postconfirmation Second Lien Facility and the Postconfirmation Unsecured Note have an established fair market value by reason of recent sales transactions involving the undivided interests exchanged therefor. The determination whether to take such position on Postconfirmation HoldCo's tax return would be made by the management of Postconfirmation HoldCo and the Postconfirmation Board. There is no assurance that the IRS would not take a contrary position. Pursuant to the applicable Treasury Regulations, a holder of the Postconfirmation Second Lien Facility or the Postconfirmation Unsecured Note will be required to report consistent with the issuer's determination unless the holder explicitly discloses such inconsistent position on the holder's federal income tax return for the taxable year that includes the Effective Date.

If the Postconfirmation Second Lien Facility or the Postconfirmation Unsecured Note, as applicable, are not traded on an established market during the Testing Period and Section 1274(b)(3) of the Tax Code does not apply, the "issue price" of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note will be its stated principal amount.

Each holder of an Allowed Prepetition First Lien Claim or an Allowed Prepetition Second Lien Claim is urged to consult its tax advisor regarding the determination of the respective "issue prices" of the Postconfirmation Second Lien Facility and the Postconfirmation Unsecured Note.

(a) Interest and OID on the Postconfirmation Second Lien Facility

Stated interest on the Postconfirmation Second Lien Facility should generally be includable in a holder's gross income as interest in accordance with such holder's normal method of accounting.

If the issue price of the Postconfirmation Second Lien Facility is less than the stated principal amount, the excess of the facility's stated principal amount over its issue price should generally be treated as OID under the Tax Code. Each holder will be required to include in its gross income, as interest for federal income tax purposes, the portion of the OID that accrues while the holder held the facility (including the day the facility is acquired but excluding the day it is disposed of), regardless of such holder's normal method of accounting. Any OID will accrue over the term of the Postconfirmation Second Lien Facility based on the constant interest method (with the amount of OID attributable to each accrual period allocated ratably to each day in such period). Accordingly, a holder may be required to recognize income prior to the receipt of cash payments attributable to such income.

(b) Interest and OID on the Postconfirmation Unsecured Note

All of the stated interest on the Postconfirmation Unsecured Note should generally be treated as OID under the Tax Code. In addition, if the issue price of such note is less than its stated principal amount, the excess of the note's stated principal amount over its issue price should generally be treated as OID under the Tax Code. Each holder will be required to include in its gross income, as interest for federal income tax purposes, the portion of the OID (inclusive of all stated interest) that accrues while the holder held the note (including the day the note is acquired but excluding the day it is disposed of), regardless of such holder's normal method of accounting. Any OID will accrue over the term of the Postconfirmation Unsecured Note based on the constant interest method (with the amount of OID attributable to each accrual period allocated ratably to each day in such period). Accordingly, a holder may be required to recognize income prior to the receipt of cash payments attributable to such income.

(c) Application of AHYDO Provisions of the Tax Code

Any OID on the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note generally would be amortizable by Postconfirmation HoldCo utilizing the constant interest method, and deductible as interest, unless the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note is treated as an applicable high yield discount obligation ("AHYDO") within the meaning of Section 163(e)(5) of the Tax Code. Although Section 163(e)(5) of the Tax Code by its terms applies only to corporate issuers, the Treasury Regulations under the partnership provisions of the Tax Code state that the AHYDO rules also apply to debt instruments issued by partnerships to the extent that the partnership has corporate partners. The determination of whether the AHYDO rules will apply is complex, and since the terms of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note have not been finalized, it is not yet possible to determine whether the AHYDO rules will apply to the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note. If the AHYDO rules were to apply to the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note, the interest deduction otherwise allowable to a direct or indirect corporate member of Postconfirmation HoldCo with respect to amortizing OID would, at a minimum, be deferred until such OID is actually paid in cash, and may be disallowed in part. The portion of any interest deduction that will be disallowed is that portion that is equal to the fraction, the numerator of which is equal to the "disqualified yield" (*i.e.*, the excess of the yield to maturity of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note over the sum of the applicable federal rate for the calendar month in which the Effective Date occurs plus six percentage points) and the denominator of which is equal to the total yield to maturity of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note. The income of a corporate holder of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note with respect to the disqualified yield, if any, should be treated as a dividend for purposes of the dividends-received-deduction to the extent the corporate member has sufficient earnings and profits such that a similar distribution in respect of stock would have been treated as a dividend for federal income tax purposes. Presumably, a corporate holder's entitlement to a dividends-received-deduction is subject to the normal holding period and taxable income requirements and other limitations applicable to dividends-received-deductions. The Reorganized Debtors will endeavor to make available to a holder of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note the necessary information regarding the portion of the OID, if any, that should be treated as a dividend.

(d) Sale, Exchange or Redemption of Postconfirmation Second Lien Facility and Postconfirmation Unsecured Note

Unless a non-recognition provision applies, a holder generally will recognize gain or loss upon the sale, exchange or redemption of the Postconfirmation Second Lien Facility or Postconfirmation Unsecured Note equal to the difference, if any, between the holder's adjusted tax basis and the amount realized on the sale, exchange or redemption. For this purpose, a holder's adjusted tax basis generally will equal the holder's initial tax basis, increased by the amount of any OID accrued (determined without adjustments) up through the date of the sale, exchange, or redemption, and decreased by the amount of any cash payments (other than qualified stated interest). Any gain or loss generally will be capital gain or loss.

5. Ownership and Disposition of Postconfirmation HoldCo Membership Interests

Under current Treasury Regulations, a domestic entity that has two or more members and that is not organized as a corporation under U.S. federal or state law will generally be classified as a partnership for federal income tax purposes, unless it elects to be treated as a corporation. Pursuant to the Plan and the Postconfirmation Organizational Documents, no election may be made for Postconfirmation HoldCo to be classified as a corporation for federal income tax purposes that is effective on or prior to the Effective Date. Thus, subject to the discussion of "publicly traded partnerships" below, and subject to the discussion regarding a possible election to be treated as a corporation after the Effective Date, Postconfirmation HoldCo will be treated as a partnership for U.S. federal income tax purposes.

Under the "publicly traded partnership" provisions of the Tax Code, an entity that would otherwise be treated as a partnership whose interests are considered to be publicly traded and does not meet a qualifying income test will be taxable as a corporation. The Postconfirmation Organizational Documents will prohibit the transfer of membership interests in Postconfirmation HoldCo if such transfer would jeopardize the status of Postconfirmation HoldCo as a partnership for federal income tax purposes (prior to an actual conversion for federal income tax purposes to corporate status). Any purported transfer in violation of such provisions will be null and void and would not be recognized by Postconfirmation HoldCo.

The Postconfirmation Organizational Documents will provide that, upon the decision of the board of Postconfirmation HoldCo, Postconfirmation HoldCo will (i) make an election to be treated as a corporation for United States federal and applicable state and local income tax purposes or (ii) convert into a corporation by filing a certificate of conversion with the requisite Secretary of State, in each case to be effective after the Effective Date. After the Effective Date, each owner would be required to cooperate fully with any such election or conversion, including through the execution of any necessary or appropriate forms. Furthermore, Postconfirmation Organizational Documents will provide that at any time after any such election or conversion, each owner that holds equity interests in Postconfirmation HoldCo through a corporation will have the right to merge such corporation with and into Postconfirmation HoldCo (or its successor) , provided in each case that at the time of such merger such corporation has no material asset other than equity interests in Postconfirmation HoldCo and has no liabilities. This discussion does not address any tax consequences resulting from any such an election, conversion or merger, and each holder of a Prepetition First Lien Claim and Prepetition Second Lien Claim is urged to consult its own tax advisor regarding such tax consequences.

This discussion of the federal income tax consequences of the Plan assumes that Postconfirmation HoldCo will be treated as a partnership for federal income tax purposes.

As a partnership, Postconfirmation HoldCo itself will not be subject to federal income tax. Instead, Postconfirmation Holdco will file an annual partnership information return with the IRS which will report the results of Postconfirmation HoldCo's operations. Each Postconfirmation HoldCo member will be required to report on its federal income tax return, and will be subject to tax in respect of, its distributive share of each item of Postconfirmation HoldCo's income, gain, loss, deduction and credit for each taxable year of Postconfirmation HoldCo ending with or within the member's taxable year. Each item generally will have the same character as if the member had realized the item directly. Members will be required to report these items regardless of the extent to which, or whether, they receive cash distributions from Postconfirmation HoldCo for such taxable year, and thus may incur income tax liabilities in excess of any distributions from Postconfirmation HoldCo. For purposes of calculating Postconfirmation HoldCo's items of income, gain, loss and deduction, upon the implementation of the Plan, Postconfirmation HoldCo should have a new cost tax basis and holding period in the underlying assets of PRC and its subsidiaries (other than the assets of ADT).

A member is allowed to deduct its allocable share of Postconfirmation HoldCo losses (if any) only to the extent of such member's adjusted tax basis (discussed below) in its membership interest at the end of the taxable year in which the losses occur. In addition, various other limitations in the Tax Code may significantly limit a member's ability to deduct its allocable share of deductions and losses of Postconfirmation HoldCo against other income.

Postconfirmation HoldCo will provide each member with the necessary information to report its allocable share of Postconfirmation HoldCo's tax items for federal income tax purposes. However, no assurance can be given that Postconfirmation HoldCo will be able to provide such information prior to the initial due date of the members' federal income tax return and the members may therefore be required to apply to the IRS for an extension of time to file their tax returns.

Under the Postconfirmation Organizational Documents, the Postconfirmation Board will decide how items will be reported on Postconfirmation HoldCo's federal income tax returns, and all members will be required under the Tax Code to treat the items consistently on their own returns, unless they file a statement with the IRS disclosing the inconsistency. In the event that the income tax returns of Postconfirmation HoldCo are audited by the IRS, the tax treatment of Postconfirmation HoldCo income and deductions generally will be determined at the Postconfirmation HoldCo level in a single proceeding, rather than in individual audits of the members. The Postconfirmation Organizational Documents will generally provide that the members will elect one member to be the "Tax Matters Partner" for Postconfirmation HoldCo, as such term is defined in Section 6231(a)(7) of the Tax Code. The Tax Matters Partner will have considerable authority under the Tax Code and the Postconfirmation Organizational Documents to make decisions affecting the tax treatment and procedural rights of all members.

A member generally will not recognize gain or loss on the receipt of a distribution of cash or property from Postconfirmation HoldCo (provided that the member is not treated as exchanging such member's share of Postconfirmation HoldCo's "unrealized receivables" and/or certain "inventory items" (as those terms are defined in the Tax Code, and together "ordinary income items") for other partnership property). A member, however, will recognize gain on the receipt of a distribution of money and, in some cases, marketable securities, from Postconfirmation HoldCo (including any constructive distribution of money resulting from a reduction of the member's share of the indebtedness of Postconfirmation HoldCo) to the extent such cash distribution or the fair market value of such marketable securities distributed exceeds such member's adjusted tax basis in its membership interest. Such distribution would be treated as gain from the sale or exchange of a membership interest.

A member will recognize gain on the complete liquidation of its membership interest only to the extent the amount of money received exceeds its adjusted tax basis in its interest. Distributions of certain marketable securities are treated as distributions of money for purposes of determining gain. Any gain recognized by a member on the receipt of a distribution from the Partnership generally will be capital gain, but may be taxable as ordinary income, either in whole or in part, under certain circumstances. No loss can be recognized on a distribution in liquidation of a membership interest, unless the member receives no property other than money and ordinary income items.

A member's adjusted tax basis in its membership interest generally will be equal to such member's initial tax basis (see Section IX.B.1, above), increased by the sum of (i) any additional capital contribution such member makes to Postconfirmation HoldCo, (ii) the member's allocable share of the income of Postconfirmation HoldCo, and (iii) increases in the member's allocable share of the indebtedness of Postconfirmation HoldCo, and reduced, but not below zero, by the sum of (iv) the member's allocable share of the losses of Postconfirmation HoldCo, and (v) the amount of money or the adjusted tax basis of property distributed to such member, including constructive distributions of money resulting from reductions in such member's allocable share of indebtedness of Postconfirmation HoldCo.

A sale of all or part of a member's interest will result in the recognition of gain or loss in an amount equal to the difference between the amount of the sales proceeds or distribution (including any constructive distribution) and such member's adjusted tax basis for the portion of the interest disposed of. Any gain or loss recognized with respect to such a sale generally will be treated as capital gain or loss, and will be long-term capital gain or loss if the interest has been held for more than one year, except to the extent that the proceeds of the sale are attributable to a member's allocable share of certain ordinary income items of Postconfirmation HoldCo and such proceeds exceed the member's adjusted tax basis attributable to such ordinary income items. A member's ability to deduct any loss recognized on the sale of its membership interest will depend on the member's own circumstances and may be restricted under the Tax Code.

Each holder of a Preconfirmation First Lien Claim or Preconfirmation Second Lien Claim is urged to consult its tax advisor regarding the tax consequences of owning and disposing of membership interests in Postconfirmation HoldCo.

6. Ownership and Disposition of Warrants

The tax consequences relating to the ownership and disposition (including exercise) of the warrants to purchase fully diluted interests of Postconfirmation HoldCo are not clear. The Treasury has promulgated proposed regulations dealing with the receipt, ownership and exercise of noncompensatory warrants issued by an entity that is treated as a partnership for federal income tax purposes. However, such regulations have not yet been finalized and, when finalized, such regulations are to be effective on a prospective basis. The description below is based on the proposed regulations. Accordingly, no assurance can be given that the IRS would not challenge the treatment described below and holders of Preconfirmation Second Lien Claims are urged to consult their tax advisors as to tax consequences of the ownership and disposition of warrants.

The proposed regulations contain rules that would treat a holder of an option to acquire a partnership interest as being a partner in the partnership if the option provides the holder with rights that are substantially similar to the rights afforded to a partner and as of the date that the option is issued, transferred or modified, there is a strong likelihood that the failure to treat the holder as a partner would result in a substantial reduction in the present value of the partners' and the holder's aggregate tax liabilities. Postconfirmation HoldCo does not currently intend to treat holders of warrants as owning partnership interests by reason of their ownership of the warrants, all holders of membership interests and warrants shall report consistently therewith (unless the Postconfirmation Board determines otherwise), and the remainder of this discussion assumes that the holders of warrants would not be so treated. If the IRS were to successfully challenge this position, the consequences described below would not be applicable.

A holder of a warrant should not recognize gain or loss upon the exercise of the warrant. Upon exercise, the holder should be treated as having contributed to Postconfirmation HoldCo an amount equal to (i) the tax basis of the warrant (see Section XI.B.1, above), plus (ii) the exercise price paid by the holder of the warrant. In addition, in connection with the exercise of the warrant, Postconfirmation HoldCo will revalue its property immediately following the exercise of the warrant. After Postconfirmation HoldCo revalues its property, the warrant holder's capital account should reflect the entire amount that the holder would be entitled to if Postconfirmation HoldCo were to sell all of its assets for their fair market value in a taxable transaction and then liquidate. To the extent it would be necessary to transfer capital from or to other Postconfirmation HoldCo members' capital accounts in order for the warrant holder's initial capital account to reflect the amount described in the prior sentence, Postconfirmation HoldCo would be required to make special allocations of gross income (or gross loss), solely for tax purposes, to the holder of the warrant or to the other members to whom capital was transferred (or, in the case of gross loss, from whom capital was transferred) in an aggregate amount equal to the amount of capital that was transferred.

Upon the lapse or disposition of a warrant, the holder generally would recognize gain or loss equal to the difference between the amount received (zero in the case of a lapse) and its tax basis in the warrant. In general, such gain or loss would be a capital gain or loss, long term or short term, depending whether the requisite holding period was satisfied.

C. INFORMATION REPORTING AND WITHHOLDING

All distributions to holders of Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then applicable withholding rate (currently 28%). Backup withholding generally applies if the holder (a) fails to furnish its social security number or other taxpayer identification number ("TIN"), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is a United States person that is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and the appropriate information is supplied to the IRS. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders' tax returns.

The foregoing summary has been provided for informational purposes only. All holders of Claims receiving a distribution under the Plan are urged to consult their tax advisors concerning the federal, state, local and foreign tax consequences applicable under the Plan.

XII.

CONCLUSION

The Debtors believe that confirmation and implementation of the Plan is in the best interests of all creditors, and urge holders of impaired Claims in Class 4, Class 5, and Class 6 to vote to accept the Plan and to evidence such acceptance by returning their ballots so that they will be received no later than 4:00 p.m. (prevailing Eastern Time) on June 9, 2008.

Dated: May 2, 2008

Respectfully submitted,

PRC, LLC
Panther/DCP Intermediate Holdings, LLC
PRC B2B, LLC
Access Direct Telemarketing, Inc.
Precision Response of Pennsylvania, LLC.

By: *__/s/ Stephen R. Dubé__*
Name: Stephen R. Dubé
Title: Chief Restructuring Officer of PRC, LLC

By: *__/s/ Alfredo R. Pérez__*
Alfredo R. Pérez
WEIL, GOTSHAL & MANGES LLP
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Houston, TX 77002-2784
Telephone: (713) 546-5000
Facsimile: (713) 224-9511

Attorneys for Debtors and Debtors in Possession

EXHIBIT A TO THE DISCLOSURE STATEMENT

The Plan

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	
	:	**Chapter 11 Case No.**
PRC, LLC, et al.,	:	**Case No. 08-10239 (MG)**
	:	
	:	
Debtors	:	**(Jointly Administered)**
	:	
8151 Peters Road	:	
Suite 4000	:	
Plantation, FL 33324	:	
EIN No. 592194806	:	

DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE DATED AS OF MAY 2, 2008

PRC, LLC, Panther/DCP Intermediate Holdings, LLC, PRC B2B, LLC, Access Direct Telemarketing, Inc., and Precision Response of Pennsylvania, LLC propose the following chapter 11 plan pursuant to section 1121(a) of the Bankruptcy Code:

ARTICLE I DEFINITIONS AND INTERPRETATION

A. Definitions.

The following terms used herein shall have the respective meanings set forth below:

1.1 ***Administrative Expense Claim*** means any right to payment constituting a cost or expense of administration of the Reorganization Cases Allowed under sections 330, 503(b), 507(a)(2) and 507(b) of the Bankruptcy Code, including, without limitation, (a) any actual and necessary costs and expenses of preserving the Debtors' estates, (b) any actual and necessary costs and expenses of operating the Debtors' businesses, (c) any indebtedness or obligations incurred or assumed by the Debtors in Possession during the Reorganization Cases and (d) any compensation for professional services rendered and reimbursement of expenses incurred. Any fees or charges assessed against the estates of the Debtors under section 1930 of chapter 123 of title 28 of the United States Code is excluded from the definition of Administrative Expense Claim and shall be paid in accordance with section 13.7 of the Plan.

1.2 *Affiliate* has the meaning set forth in section 101(2) of the Bankruptcy Code.

1.3 ***Allowed*** means, with reference to any Claim against the Debtors, (a) any Claim against any Debtor that has been listed by such Debtor in its Schedules (as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009) as liquidated in amount and not disputed or contingent and for which no contrary proof of Claim has been filed or no timely objection to allowance or request for estimation has been interposed, (b) any timely filed proof of Claim as to which no objection has been or is interposed in accordance with section 7.1 of the Plan or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules or the Bankruptcy Court or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder of such Claim, (c) any Claim expressly allowed by a Final Order or under the Plan, (d) any Claim that is compromised, settled or otherwise resolved pursuant to the authority granted to the Reorganized Debtors pursuant to a Final Order of the Bankruptcy Court or under section 7.4 of the Plan; *provided, however,* that Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed Claims." Unless otherwise specified in the Plan or by order of the Bankruptcy Court, "Allowed Administrative Expense Claim" or "Allowed Claim" shall not, for any purpose under the Plan, include interest on such Claim from and after the Commencement Date.

1.4 ***Allowed Postpetition Financing Obligation Claim*** means an Allowed Claim of the DIP Lenders under the Postpetition Financing Agreement.

1.5 ***Allowed Prepetition First Lien Claim*** means the Allowed Claim of the Prepetition First Lien Lenders under the Prepetition First Lien Credit Agreement in the amount of $119,350,000.

1.6 ***Allowed Prepetition Second Lien Claim*** means the Allowed Claim of the Prepetition Second Lien Lenders under the Prepetition Second Lien Credit Agreement in the amount of $67,000,000.

1.7 ***Ballot*** means the form distributed to each holder of an impaired Claim or Preconfirmation Equity Interest that is entitled to vote to accept or reject the Plan on which is to be indicated an acceptance or rejection of the Plan.

1.8 ***Bankruptcy Code*** means title 11 of the United States Code, as amended from time to time, as applicable to the Reorganization Cases.

1.9 ***Bankruptcy Court*** means the United States Bankruptcy Court for the Southern District of New York or any other court of the United States having jurisdiction over the Reorganization Cases.

1.10 ***Bankruptcy Rules*** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time.

1.11 ***Benefit Plans*** means all employee benefit plans, policies and programs sponsored by any of the Debtors, including, without limitation, all incentive and bonus arrangements, medical and health insurance, life insurance, dental insurance, disability benefits and coverage, leave of absence, savings plans, retirement pension plans and retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code).

1.12 ***Business Day*** means any day other than a Saturday, Sunday or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

1.13 ***Cash*** means legal tender of the United States of America.

1.14 ***Claim*** has the meaning set forth in section 101(5) of the Bankruptcy Code.

1.15 ***Class*** means a category of holders of Claims or Preconfirmation Equity Interests set forth in Article IV of the Plan.

1.16 ***Collateral*** means any property or interest in property of the estates of the Debtors subject to a Lien, charge or other encumbrance to secure the payment or performance of a Claim, which Lien, charge or other encumbrance is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable state law.

1.17 ***Commencement Date*** means January 23, 2008, the date on which the Debtors commenced their Reorganization Cases.

1.18 ***Creditors' Committee*** means the committee of unsecured creditors appointed in the Reorganization Cases pursuant to section 1102(a) of the Bankruptcy Code.

1.19 ***Confirmation Date*** means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

1.20 ***Confirmation Hearing*** means the hearing conducted by the Bankruptcy Court pursuant to section 1128(a) of the Bankruptcy Code to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.21 ***Confirmation Order*** means the order of the Bankruptcy Court confirming the Plan.

1.22 ***Contingent Claim*** means any Claim, the liability for which attaches or is dependent upon the occurrence or happening of, or is triggered by, an event, which event has not yet occurred, happened or been triggered as of the date on which such Claim is sought to be estimated or an objection to such Claim is filed, whether or not such event is within the actual or presumed contemplation of the holder of such Claim and whether or not a relationship between the holder of such Claim and the applicable Debtor now or hereafter exists or previously existed.

1.23 ***Debtors*** means each of PRC, LLC, Intermediate HoldCo, PRC B2B, LLC, Access Direct Telemarketing, Inc., and Precision Response of Pennsylvania, LLC.

1.24 ***Debtors in Possession*** means the Debtors in their capacity as debtors in possession in the Reorganization Cases under sections 1107(a) and 1108 of the Bankruptcy Code.

1.25 ***DIP Agent*** means The Royal Bank of Scotland plc, as administrative agent and collateral agent under the Postpetition Financing Agreement.

1.26 ***DIP Lenders*** means the lenders party to the Postpetition Financing Agreement.

1.27 ***Disbursing Agent*** means Postconfirmation PRC or any entity in its capacity as a disbursing agent under sections 6.5 and 6.6 of the Plan.

1.28 ***Disclosure Statement*** means that certain disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto, as the same may be amended, supplemented or otherwise modified from time to time, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

1.29 ***Disclosure Statement Order*** means the order of the Bankruptcy Court approving, among other things, the Disclosure Statement and establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan.

1.30 ***Disputed*** means, with reference to any Administrative Expense Claim or Claim, any such Administrative Expense Claim or Claim (a) to the extent neither Allowed nor disallowed under the Plan or a Final Order nor deemed Allowed under section 502, 503 or 1111 of the Bankruptcy Code, (b) which has been or hereafter is listed by a Debtor on its Schedules as unliquidated, disputed or contingent and which has not been resolved by written agreement of the parties or a Final Order or (c) as to which the Debtors or any other party in interest has interposed a timely objection and/or request for estimation in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order. Prior to the earlier of the time an objection has been timely filed and the expiration of the time within which to object to such Claim set forth herein or otherwise established by order of the

Bankruptcy Court, a Claim shall be considered a Disputed Claim to the extent that the amount of the Claim specified in a proof of Claim exceeds the amount of the Claim scheduled by the Debtor as not disputed, contingent or unliquidated.

1.31 ***Distribution Date*** means (a) the Initial Distribution Date, (b) the first Business Day after the end of the months of March, June, September and December, commencing with the first such date to occur more than forty-five (45) days after the Effective Date and until the second anniversary of the Effective Date, (c) after the second anniversary of the Effective Date, the first Business Day after the end of the month of December and (d) the Final Distribution Date; *provided*, *however*, that any General Unsecured Claim that becomes Allowed less than ten (10) Business Days prior to a Distribution Date shall be treated as a Disputed Claim for the purposes of the distribution occurring on such Distribution Date and shall not receive a distribution until the Distribution Date immediately succeeding such Distribution Date.

1.32 ***Distribution Pro Rata Share*** means, as of any Distribution Date, the ratio (expressed as a percentage) of the amount of an Allowed General Unsecured Claim to the aggregate amount of all Allowed General Unsecured Claims at such date plus the Disputed Claim amount of all remaining Disputed General Unsecured Claims.

1.33 ***Distribution Record Date*** means the date that is three (3) Business Days from and after the Confirmation Date.

1.34 ***Effective Date*** means a Business Day selected by the Debtors on or after the Confirmation Date, on which (a) no stay of the Confirmation Order is in effect and (b) the conditions precedent to the effectiveness of the Plan specified in section 10.1 of the Plan shall have been satisfied or waived as provided in section 10.2.

1.35 ***Estate Representative*** means a Person appointed as a representative of the estates of the Debtors under section 1123(b) of the Bankruptcy Code for the purpose of enforcing claims or causes of action relating to the purchase and financing of PRC from IAC/Interactive Corp. The terms of such an appointment shall be subject to approval by (a) the Prepetition Lenders, and (b) the Bankruptcy Court, after notice of a motion and a hearing.

1.36 ***Exit Facility*** means financing obtained by the Debtors in connection with the occurrence of the Effective Date and emergence from chapter 11, (a) which shall not exceed $45 million in principal amount, shall have a maturity of no earlier than three years, shall have a market rate of interest, and the proceeds of which shall be used, in part, to repay the Postpetition Financing Obligations and (b) a form of which shall be included in the Plan Supplement.

1.37 ***Final Distribution Date*** means a date on or after the Initial Distribution Date and after (a) the deadline for the Debtors or the Reorganized Debtors to interpose objections to Claims has passed, (b) all such objections have been resolved by signed agreement with the Debtors or Reorganized Debtors and/or Final Order, as may be applicable, and (c) all Claims that are Contingent Claims or Unliquidated Claims have been liquidated but, in any event, the Final Distribution Date shall be no later than thirty (30) days thereafter, or such later date as the Bankruptcy Court may establish, upon request by the Reorganized Debtors, for cause shown.

1.38 ***Final Order*** means an order or judgment of a court of competent jurisdiction that has been entered on the docket maintained by the clerk of such court and has not been reversed, vacated or stayed and as to which (a) the time to appeal, petition for *certiorari* or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for *certiorari* or other proceedings for a new trial, reargument or rehearing shall then be pending or, (b) if an appeal, writ of *certiorari*, new trial, reargument or rehearing thereof has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, *certiorari* shall have been denied or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order and (ii) the time to take any further appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing shall have expired; *provided*, *however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Bankruptcy Rules, may be filed relating to such order shall not prevent such order from being a Final Order.

1.39 ***General Unsecured Claim*** means any Claim against the Debtors other than an Administrative Expense Claim, Priority Tax Claim, Other Priority Claim, Secured Tax Claim, Other Secured Claims, Prepetition First Lien Claim, Prepetition Second Lien Claim, or Preconfirmation Equity Interest Claim.

1.40 ***Initial Distribution Date*** means a date after the Effective Date that is selected by the Reorganized Debtors in their sole discretion but, in any event, is within forty-five (45) days after the date of service of notice of the Confirmation Date, or such later date as the Bankruptcy Court may establish upon request by Reorganized Debtors, for cause shown; *provided*, *however*, that in no event shall the Initial Distribution Date be more than seventy-five (75) days after the date of service of notice of the Confirmation Date.

1.41 ***Intercompany Claim*** means any Claim against any Debtor or Non-Debtor Subsidiary held by another Debtor or Non-Debtor Subsidiary.

1.42 ***Intermediate HoldCo*** means Panther/DCP Intermediate Holdings, LLC.

1.43 ***Lender Released Parties*** means, collectively, (a) the Prepetition First Lien Agent; (b) the Prepetition Second Lien Agent; (c) the Prepetition Lenders; (d) the DIP Agent; and (e) the DIP Lenders.

1.44 ***Lien*** has the meaning set forth in section 101(37) of the Bankruptcy Code.

1.45 ***Local Bankruptcy Rules*** means the Local Bankruptcy Rules for the Southern District of New York, as amended from time to time.

1.46 ***Material General Unsecured Claim*** means any General Unsecured Claim if its reduction or disallowance following a good faith objection pursuant to Bankruptcy Rule 3007 would reduce the aggregate amount of Allowed General Unsecured Claims by at least $200,000.

1.47 ***Non-Debtor Subsidiary*** means any direct or indirect subsidiary of PRC that is not a Debtor.

1.48 ***Other Priority Claim*** means a Claim entitled to priority in payment as specified in section 507(a)(4), (5), (6) or (7) of the Bankruptcy Code.

1.49 ***Other Secured Claim*** means a Secured Claim other than a Secured Tax Claim, Prepetition First Lien Claim, or Prepetition Second Lien Claim.

1.50 ***Person*** means an individual, partnership, corporation, limited liability company, cooperative, trust, unincorporated organization, association, joint venture, government or agency or political subdivision thereof or any other form of legal entity.

1.51 ***Plan*** means this Joint Plan of Reorganization, including, without limitation, the exhibits and schedules hereto, as the same may be amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms hereof.

1.52 ***Plan Supplement*** means the supplement or supplements to the Plan containing certain documents relevant to the implementation of the Plan specified in section 13.6 of the Plan.

1.53 ***Postconfirmation Board*** means the board of directors or managers of Postconfirmation HoldCo which will be disclosed in the Plan Supplement.

1.54 ***Postconfirmation HoldCo*** means, as of the Effective Date, as of the Effective Date, a newly formed limited liability company that will be the holder of the sole equity interests of Postconfirmation Intermediate HoldCo, as more fully described in section 5.2(a) of the Plan.

1.55 ***Postconfirmation Intermediate HoldCo*** means, as of the Effective Date, the obligor on the Postconfirmation Unsecured Note.

1.56 ***Postconfirmation Management Incentive Plan*** means the management bonus providing for, *inter alia*, possible equity incentives for management, which shall be substantially in the form set forth in the Plan Supplement and shall contain terms and conditions that shall be subsequently reviewed and approved by the Postconfirmation Board.

1.57 ***Postconfirmation Organizational Documents*** means each certificate of incorporation, certificate of formation, limited liability company agreement, bylaws, and other organizational document for each of the Reorganized Debtors and Postconfirmation HoldCo, in each case, forms of which shall be included in the Plan Supplement.

1.58 ***Postconfirmation PRC*** means PRC, on and after the Effective Date.

1.59 ***Postconfirmation Second Lien Facility*** means that certain second lien term loan facility, with Postconfirmation PRC as borrower, referenced in Article IV of the Plan, (a) which shall not exceed $40 million in principal amount, shall have a bullet maturity of no earlier than four years, shall have a market rate of interest and a pay-in-kind toggle feature, and (b) a form of which shall be included in the Plan Supplement.

1.60 ***Postconfirmation Unsecured Note*** means that certain unsecured note issued by Postconfirmation Intermediate HoldCo and referenced in Article IV of the Plan, (a) which shall not exceed $40 million in principal amount, shall have a bullet maturity of no earlier than five years, shall have a rate of interest of 12% per annum, all of which is payable in kind no less frequently than quarterly, and shall have no security or guaranty and (b) a form of which shall be included in the Plan Supplement.

1.61 ***Postpetition Financing Agreement*** means that certain senior secured superpriority debtor-in-possession credit and guaranty agreement dated as of March 4, 2008, among PRC, as borrower, Intermediate HoldCo, and certain subsidiaries of the borrower as guarantors, various lenders and The Royal Bank of Scotland plc as administrative agent and collateral agent, as entered into pursuant to the Postpetition Financing Order as modified or amended from time to time during the Reorganization Cases.

1.62 ***Postpetition Financing Obligation*** means any obligation of the Debtors arising under the Postpetition Financing Agreement and the Postpetition Financing Order.

1.63 ***Postpetition Financing Order*** means the Final Order Approving Debtors' Motion For Authorization to (i) Obtain Postpetition Financing

Pursuant to 11 U.S.C. § 364; (ii) Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; (iii) Grant Priming Liens and Superpriority Claims to Postpetition Lenders Pursuant to 11 U.S.C. § 364(c) and (d); (iv) Provide Adequate Protection to Prepetition Lenders Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364, dated February 28, 2008.

1.64 ***Preconfirmation Equity Interests*** means all instruments evidencing an ownership interest in Intermediate HoldCo, whether or not transferable, and all options, warrants or rights, contractual or otherwise, to acquire any such interests, all as of the Effective Date.

1.65 ***Preconfirmation Equity Interest Claim*** means a Claim of a holder of a Preconfirmation Equity Interest.

1.66 ***Prepetition First Lien Agent*** means the administrative agent and collateral agent under the Prepetition First Lien Credit Agreement.

1.67 ***Prepetition First Lien Claim*** means a Claim of a Prepetition First Lien Lender under the Prepetition First Lien Credit Agreement.

1.68 ***Prepetition First Lien Credit Agreement*** means that certain Amended & Restated First Lien Credit and Guaranty Agreement, dated as of November 29, 2006, as amended and restated on December 20, 2006.

1.69 ***Prepetition First Lien Lender*** means the holder of a Prepetition First Lien Claim.

1.70 ***Prepetition Lenders*** means the Prepetition First Lien Lender and the Prepetition Second Lien Lender.

1.71 ***Prepetition Period*** means the time-period prior to the Commencement Date.

1.72 ***Prepetition Second Lien Agent*** means, collectively, the administrative agent and collateral agent, and any predecessors thereto, under the Prepetition Second Lien Credit Agreement.

1.73 ***Prepetition Second Lien Claim*** means a Claim of a Prepetition Second Lien Lender under the Prepetition Second Lien Credit Agreement.

1.74 ***Prepetition Second Lien Credit Agreement*** means that certain Amended & Restated Second Lien Credit and Guaranty Agreement, dated as of November 29, 2006, as amended and restated on December 20, 2006.

1.75 ***Prepetition Second Lien Lender*** means the holder of a Claim arising under the Prepetition Second Lien Credit Agreement.

1.76 ***PRC*** means PRC, LLC.

1.77 ***Priority Tax Claim*** means any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.78 ***Ratable Proportion*** means, with reference to any distribution on account of any Allowed Claim in any class, a distribution equal in amount to the ratio (expressed as a percentage) that the amount of such Allowed Claim bears to the aggregate amount of Allowed Claims in such class.

1.79 ***Reorganization Cases*** means the jointly administered cases commenced by the Debtors under chapter 11 of the Bankruptcy Code.

1.80 ***Reorganized Debtors*** means Postconfirmation PRC, Postconfirmation Intermediate HoldCo, Postconfirmation HoldCo, PRC B2B, LLC, Access Direct Telemarketing, Inc., and Precision Response of Pennsylvania, LLC on and after the Effective Date.

1.81 ***Restructuring Transactions*** means the transactions described in section 5.2(a) of the Plan.

1.82 ***Schedules*** means, collectively, the schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases and statements of financial affairs filed by the Debtors under section 521 of the Bankruptcy Code, Bankruptcy Rule 1007 and the Official Bankruptcy Forms in the Reorganization Cases, as may have been amended or supplemented through the Confirmation Date pursuant to Bankruptcy Rule 1007.

1.83 ***Secured Claim*** means any Claim that is secured by a Lien on Collateral to the extent of the value of such Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code, or, in the event that such Claim is subject to a permissible setoff under section 553 of the Bankruptcy Code, to the extent of such permissible setoff.

1.84 ***Secured Tax Claim*** means any Secured Claim that, absent its secured status, would be entitled to priority in right of payment under sections 502(i) and 507(a)(8) of the Bankruptcy Code (determined irrespective of any time limitations therein and including any related Secured Claim for penalties).

1.85 ***Tax Code*** means the Internal Revenue Code of 1986, as amended.

1.86 ***Trade Creditor*** means a holder of a General Unsecured Claim against a Debtor if the holder of such General Unsecured Claim provided goods or services to the Debtors in the ordinary course of the Debtors' business; *provided, however*, that IAC/Interactive Corp., former employees of the Debtors, and former officers of the Debtors shall not be considered Trade Creditors for purposes of the Plan. For purposes of this definition, an employee or officer of the Debtors shall be considered a former employee or former officer if that person is not an employee or officer on the date of the Confirmation Hearing.

1.87 ***Transition Services Agreement*** means that certain agreement, between Panther/DCP Acquisition, LLC, PRC, and IAC/Interactive Corp., dated as of November 29, 2006.

1.88 ***U.S. Trustee*** means the United States Trustee appointed under section 581 of title 28 of the United States Code to serve in the Southern District of New York.

1.89 ***Unliquidated Claim*** means any Claim, the amount of liability for which has not been fixed, whether pursuant to agreement, applicable law or otherwise, as of the date on which such Claim is asserted or sought to be estimated.

B. Interpretation; Application of Definitions and Rules of Construction.

Unless otherwise specified, all section, article, schedule or exhibit references in the Plan are to the respective section in, article of or schedule or exhibit, to the Plan or the Plan Supplement, as the same may be amended, waived or modified from time to time. The words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. A term used herein that is not defined herein shall have the meaning assigned to that term in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II
PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS

2.1 ***Administrative Expense Claims.***

Except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees to a less favorable treatment, each holder of an Allowed Administrative Expense Claim shall receive Cash in an amount equal to such Allowed Administrative Expense Claim on the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; *provided, however*, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtors in Possession shall be paid in full and performed by the Debtors in Possession or Reorganized Debtors, as the case may be, in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions; *provided, further*, that if any such ordinary course expense is not billed or a request for payment is not made within ninety (90) days after the Effective Date, claims for payment of such an ordinary course expense shall be barred.

2.2 ***Postpetition Financing Agreement.***

On the Effective Date, all Allowed Postpetition Financing Obligation Claims shall be paid in full in Cash. Upon payment and satisfaction in full of all Allowed Postpetition Financing Obligation Claims, all liens and security interests granted to secure such obligations, whether in the Reorganization Cases or otherwise, shall be terminated and of no further force or effect.

2.3 ***Professional Compensation and Reimbursement Claims.***

All entities seeking awards by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code shall (a) file, on or before the date that is forty-five (45) days after the Effective Date their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred and (b) be paid in full, in Cash, in such amounts as are Allowed by the Bankruptcy Court in accordance with the order relating to or Allowing any such Administrative Expense Claim; *provided, however*, that from and after May 1, 2008, all fees and expenses incurred by the Creditors' Committee and their professionals that are chargeable to the Debtors' estates shall be capped (barring an increase granted by the Bankruptcy Court in the event of any unforeseen circumstances) at $75,000 per month for a period of two months, and shall be capped at $50,000 for all time thereafter; *provided further*, that the sum of the amounts payable to the Creditors' Committee and their professionals under this section 2.3 shall be a cumulative amount which, if exceeded during one period, shall go against the total cap and, similarly, any amount which is not used during a given period shall be carried forward, subject to a total cap of $200,000. The Reorganized Debtors are authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval.

2.4 ***Priority Tax Claims.***

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, at the sole option of the Debtors or the Reorganized Debtors, (a) on the Effective Date, or as soon thereafter as is practicable, Cash in an amount equal to such Allowed Priority Tax Claim or, (b) commencing on the Effective Date, or as soon thereafter as is practicable, and continuing over a period not exceeding five (5) years from and after the Commencement Date, equal semi-annual Cash payments in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest for the period after the Effective Date at the rate determined under applicable non-bankruptcy law, *provided* that the first payment shall represent a percentage recovery at least equal to that expected to be received by holders of Allowed General Unsecured Claims, and subject to the sole option of the Debtors or Reorganized Debtors to prepay the entire amount of the Allowed Priority Tax Claim. All Allowed Priority Tax Claims that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business as such obligations become due.

ARTICLE III
CLASSIFICATION OF CLAIMS AND PRECONFIRMATION EQUITY INTERESTS, IMPAIRMENT AND VOTING

The following table designates the classes of Claims against and Preconfirmation Equity Interests in the Debtors and specifies which of those classes are impaired or unimpaired by the Plan and entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code or deemed to reject the Plan.

Class	Designation	Impairment	Entitled to Vote
Class 1	Other Priority Claims	Unimpaired	No (deemed to accept)
Class 2	Secured Tax Claims	Unimpaired	No (deemed to accept)
Class 3	Other Secured Claims	Unimpaired	No (deemed to accept)
Class 4	Allowed Prepetition First Lien Claims	Impaired	Yes
Class 5	Allowed Prepetition Second Lien Claims	Impaired	Yes
Class 6	General Unsecured Claims	Impaired	Yes
Class 7	Preconfirmation Equity Interests	Impaired	No (deemed to reject)

ARTICLE IV
PROVISIONS FOR TREATMENT OF CLAIMS AND PRECONFIRMATION EQUITY INTERESTS

4.1 ***Other Priority Claims (Class 1)***.

(a) Impairment and Voting. Class 1 is unimpaired by the Plan. Each holder of an Allowed Other Priority Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Allowed Other Priority Claim agrees to a different treatment, each holder of an Allowed Other Priority Claim shall receive Cash in an amount equal to such Allowed Other Priority Claim on the later of the Effective Date and the date such Allowed Other Priority Claim becomes an Allowed Other Priority Claim, or as soon thereafter as is practicable.

4.2 ***Secured Tax Claims (Class 2).***

(a) Impairment and Voting. Class 2 is unimpaired by the Plan. Each holder of an Allowed Secured Tax Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Allowed Secured Tax Claim agrees to a different treatment, each holder of an Allowed Secured Tax Claim shall receive, at the sole option of the Debtors or the Reorganized Debtors, (i) on the Effective Date, or as soon thereafter as is practicable, Cash in an amount equal to such Allowed Secured Tax Claim or, (ii) commencing on the Effective Date, or as soon thereafter as is practicable, and continuing over a period not exceeding five (5) years from and after the Commencement Date, equal semi-annual Cash payments in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest for the period after the Effective Date at the rate determined under applicable non-bankruptcy law, *provided* that the first payment shall represent a percentage recovery at least equal to that expected to be received by holders of Allowed General Unsecured Claims, and subject to the sole option of the Debtors or Reorganized Debtors to prepay the entire amount of the Allowed Secured Tax Claim.

4.3 ***Other Secured Claims (Class 3).***

(a) Impairment and Voting. Class 3 is unimpaired by the Plan. Each holder of an Allowed Other Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Allowed Other Secured Claim agrees to a different treatment, at the sole option of the Debtors or the Reorganized Debtors, (i) on the Effective Date or as soon thereafter as is practicable, each Allowed Other Secured Claim shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an Allowed Other Secured Claim to demand or receive payment of such Allowed Other Secured Claim prior to the stated maturity of such Allowed Other Secured Claim from and after the occurrence of a default, (ii) each holder of an Allowed Other Secured Claim shall receive Cash in an amount equal to such Allowed Other Secured Claim, including any interest on such Allowed Other Secured Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, on the later of the Effective Date and the date such Allowed Other Secured Claim becomes an Allowed Other Secured Claim, or as soon thereafter as is practicable or (iii) each holder of an Allowed Other Secured Claim shall receive the Collateral securing its Allowed Other Secured Claim and any interest on such Allowed Other Secured Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, in full and complete satisfaction of such Allowed Other Secured Claim on the later of the Effective Date and the date such Allowed Other Secured Claim becomes an Allowed Other Secured Claim, or as soon thereafter as is practicable.

4.4 ***Allowed Prepetition First Lien Claims (Class 4).***

(a) Impairment and Voting. Class 4 is impaired by the Plan. Each holder of a Prepetition First Lien Claim is entitled to vote to accept or reject the Plan.

(b) Distributions. The Allowed Prepetition First Lien Claims shall be allowed in the aggregate amount of $119,350,000. On the Effective Date, and in accordance with the Restructuring Transactions, each holder of an Allowed Prepetition First Lien Claim shall receive its Ratable Proportion of each of: (i) $40 million of the Postconfirmation Second Lien Facility; (ii) $40 million of the Postconfirmation Unsecured Note; and (iii) 80% of the equity interests of Postconfirmation HoldCo, which equity interests shall be subject to further dilution by the holders of Allowed Prepetition Second Lien Claims in the event such holders exercise their rights, as described in subsections 4.5(b)(ii) and (iii) of the Plan.

4.5 ***Allowed Prepetition Second Lien Claims (Class 5).***

(a) Impairment and Voting. Class 5 is impaired by the Plan. Each holder of a Prepetition Second Lien Claim is entitled to vote to accept or reject the Plan.

(b) Distributions. The Allowed Prepetition Second Lien Claims shall be allowed in the aggregate amount of $67,000,000. On the Effective Date, and in accordance with the Restructuring Transactions, each holder of an Allowed Prepetition Second Lien Claim shall receive its Ratable Proportion of each of: (i) 20% of the equity interests of Postconfirmation HoldCo, which equity interests shall be subject to further dilution by the holders of Allowed Prepetition Second Lien Claims in the event such holders exercise their rights, as described in subsections (ii) and (iii) of this section 4.5(b) of the Plan; (ii) warrants, which may be exercised up to five (5) years after the Effective Date, to purchase up to 4% of the fully diluted equity interests of Postconfirmation HoldCo with an exercise price based upon an enterprise value of $170 million; and (iii) warrants, which may be exercised up to five (5) years after the Effective Date, to purchase up to an additional 2% of the fully diluted equity interests of Postconfirmation HoldCo with an exercise price based on an enterprise value of $200 million.

4.6 ***General Unsecured Claims (Class 6).***

(a) Impairment and Voting. Class 6 is impaired by the Plan. Each holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

(b) Distributions. Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a different treatment, each holder of an Allowed General Unsecured Claim shall receive its Distribution Pro Rata Share of $1,350,000 in Cash (which shall be calculated as if no prior distributions had been made) on each Distribution Date or as soon thereafter as is practicable, *provided, however,* that in any distribution made to the holder of an Allowed General Unsecured Claim, there shall be deducted from such distribution the amount of any distribution previously distributed to such holder on account of such Allowed General Unsecured Claim in any distribution made prior thereto.

4.7 ***Preconfirmation Equity Interests (Class 7).***

(a) Impairment and Voting. Class 7 is impaired by the Plan. Each holder of a Preconfirmation Equity Interest is deemed to reject the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distributions. On the Effective Date, the Preconfirmation Equity Interests shall be cancelled and the holders of Preconfirmation Equity Interests shall not be entitled to, and shall not receive or retain, any property or interest in property on account of such Preconfirmation Equity Interests under the Plan.

ARTICLE V
MEANS OF IMPLEMENTATION

5.1 ***Intercompany Claims.***

Notwithstanding anything to the contrary herein, Intercompany Claims will be adjusted, continued or discharged to the extent determined appropriate by the Debtors or the Reorganized Debtors, in their sole discretion. Any such transaction may be effected on or subsequent to the Effective Date without any further action by the Debtors, the Debtors in Possession, or the Reorganized Debtors.

5.2 ***Restructuring and Other Transactions.***

(a) **Restructuring Transactions.**

On the Effective Date, the following transactions (the "Restructuring Transactions") shall be effectuated in the order set forth:

(i) Simultaneously, (A) in accordance with section 4.7 of the Plan, all of the Preconfirmation Equity Interests shall be cancelled, and (B) all of the new membership interests in Postconfirmation Intermediate HoldCo shall be issued to the Prepetition First Lien Agent and the Prepetition Second Lien Agent on behalf of the holders of Allowed Prepetition First Lien Claims and the Allowed Prepetition Second Lien Claims, respectively, in full satisfaction of their Claims (and in proportion to the relative values of their Claims); and

(ii) Immediately thereafter, the Prepetition First Lien Agent and the Prepetition Second Lien Agent shall, on behalf of the holders of Allowed Prepetition First Lien Claims and the Allowed Prepetition Second Lien Claims, respectively, contribute all of the membership interests in Postconfirmation Intermediate HoldCo to Postconfirmation HoldCo in exchange for the consideration described in sections 4.4 and 4.5 of the Plan.

(b) **Consistent Tax Reporting.**

(i) All parties (including the Reorganized Debtors, the holders of Preconfirmation Equity Interests and the holders of Postconfirmation HoldCo membership interests and warrants) shall report for all federal income tax purposes consistent with the form of the Restructuring Transactions.

(ii) As soon as possible after the Effective Date, but in no event later than thirty (30) days thereafter, the Postconfirmation Board shall determine the value of the membership interests of Postconfirmation Intermediate HoldCo as of the Effective Date (as appropriate for federal income tax purposes) and the portions of such value which are allocable, respectively, to the Postconfirmation Second Lien Facility, the Postconfirmation Unsecured Note, the membership interests in Postconfirmation HoldCo and the warrants to purchase fully diluted interests of Postconfirmation HoldCo. Such allocation shall take into account the relative fair market values of the Postconfirmation Second Lien Facility, the Postconfirmation Unsecured Note, the membership interests in Postconfirmation HoldCo and the warrants. The Postconfirmation Board shall apprise, in writing, all parties of such valuation and allocation. The valuation and allocation shall be used consistently by all parties (including the Reorganized Debtors, the holders of Preconfirmation Equity Interests and the holders of membership interests and warrants) for all federal income tax purposes.

(iii) Consistent with the intent that Postconfirmation HoldCo shall initially be treated as a partnership for federal income tax purposes, no election shall be made by Postconfirmation HoldCo or by Intermediate HoldCo (or any of their direct or indirect subsidiaries) to be taxed as a corporation for federal income tax purposes that is effective on or prior to the Effective Date. All parties (including the Reorganized Debtors and the holders of Postconfirmation HoldCo membership interests and warrants) shall not treat the holders of warrants as owning partnership interests in Postconfirmation HoldCo for federal income tax purposes by reason of their ownership of warrants, unless the Postconfirmation Board determines otherwise.

(c) **Other Transactions.**

On or as of the Effective Date or as soon as practicable thereafter and without the need for any further action, the Reorganized Debtors may: (i) cause any or all of the Reorganized Debtors or to be merged into one or more of the Reorganized Debtors, dissolved or otherwise consolidated, (ii) cause the transfer of assets between or among the Reorganized Debtors, or (iii) engage in any other transaction in furtherance of the Plan.